

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 1376 – SB 1165

January 23, 2012

SUMMARY OF AMENDMENT (011518): Deletes all language after the enacting clause. Requires any municipal gas system owned and operated by a municipality which is located within a county operating under a charter form of government to make payments in lieu of taxes (PILOT) on its systems at the tax rate of the jurisdictions in which it is located and pursuant to Tenn. Code Ann. § 7-39-404 (1) (A), unless there are agreements executed prior to April 2012, or agreements that become effective on the first day of any fiscal year thereafter.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Other Fiscal Impact – A portion of revenue currently received by the City of Memphis in the form of PILOT payments made by gas utilities will be allocated to Shelby County. This reallocation of funds will not increase the aggregate amount currently received by local governments.

Assumptions applied to amendment:

- Currently only two counties operate under a charter form of government, Shelby County and Knox County.
- It is assumed that any municipal gas system located within Knox County is currently under an agreement executed prior to April 2012.
- Shelby County and the City of Memphis receive shares of PILOT payments made by electric and water utilities.
- The City of Memphis currently receives one-hundred percent (100%) of all PILOT payments received from gas utilities.
- This would divert a share of the current revenue received by the City of Memphis from gas utilities and allocate the funds to Shelby County.

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CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

/jdb